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5 October 1977

MEMORANDUM

SUBJECT: Papua New Guinea

- 1. A former UN trust territory administered by Australia, Papua New Guinea's size and economic potential give it a distinct edge over many other fledgling nations. Its several major islands add up to a land area comparable to that of Colorado and Utah combined, and it is rich in minerals. Exports of copper from one of the world's largest open pit mines is a major foreign exchange earner. There is room for considerable development in forestry and tuna fishing, as well as a hydroelectric power potential. Papua New Guinea's population of less than three million is remarkable for its diversity. Its many tribes and clans speak over 700 different languages.
- 2. Nudged into independence two years ago by a Labor government in Australia anxious to divest itself of an unwanted colonial role, Papua New Guinea has overcome its initial misgivings over standing on its own. It has coped effectively with its basic difficulties of deep divisions by language and clan, widespread illiteracy, and a dearth of trained and experienced personnel. Domestic policies have been characterized by caution and the application of basic common sense. The honest national elections last summer, which drew a large voter turnout, were a measure of Papua New Guinea's seasoning as a nation. Government institutions

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are still fragile, however, and not rooted in local society. One of the government's major tasks is to inspire primary loyalty to the nation rather than to the many clans.

- Separatism is a troublesome manifestation of the island nation's ethnic diversity and long distances. government has undercut the most serious secessionist movement--that of the copper-rich island of Bougainville--by granting it greater local rule. Concessions to Bougainville have, however, prompted demands for equal treatment from other regions. One of the government's continuing problems will be the maintenance of strong central control in the face of growing regional consciousness.
- Papua New Guinea has been led since independence by Michael Somare, a 41-year-old former radio announcer and journalist. An outspoken critic of the Australian administration a decade ago, he has become distinctly moderate and responsible as he has developed an appreciation of the responsibilities of nationhood. Somare is generally given good marks for leadership. An appealing and articulate individual, his common touch and lack of pretense fits with the local temperament. In the sometimes contentious local political scene during the first two years of independence, his particular strength has been an ability to effect compromises through the "Melanesian way" of patiently talking out a dispute until all sides can come to agreement.
- 5. Somare's coalition government made a strong showing in the national elections last summer, but he faces a more assertive political opposition in his second term. opposition leader, Sir John Guise--who resigned as governor general last February to enter politics -- is as fully skilled in parliamentary debate as Somare and has a more commanding presence.
- The government is coming under increasing criticism for not meeting popular economic expectations. Unemployment is high, and an urban drift has spawned a crime problem. Despite some growing diversity in the economic base, Papua New Guinea retains a heavy dependence on Australian aid and copper revenues. The demonstrated political stability should be an incentive to the foreign investment that is . needed for economic expansion, but outside money has been slow to materialize.

SUBJECT: Papua New Guinea

- 7. Papua New Guinea's foreign political orientation is strongly pro-West, and it has turned aside repeated Chinese and Soviet efforts to establish embassies. At the UN, it has maintained a moderate stance and has resisted overtures from radical African states. The country's foreign policy goals are modest, concentrated on the South Pacific. It has some aspirations to regional leadership but is low-key in pushing them.
- 8. Memories of shared World War II experiences linger in Papua New Guinea, and it would like closer relations with the US. The young nation seeks no US aid, but as a resource-rich country, it would like more private investment to help it attain its export potential. Prime Minister Somare is visiting New York next week as head of his government's delegation to the UN General Assembly session. In whatever talks he has with US officials there, he will undoubtedly try to elicit more US interest in his corner of the world.
- 9. Papua New Guinea's primary ties remain with Australia, although it is sensitive to intimations that it is still a colonial adjunct to its former administrator. Australian assistance comprises 40 percent of the national budget, and there is a continuing, although declining, presence of Australian expatriate government officers. Australian stalling on discussions of the sea boundary between the two countries, now drawn to within a few hundred yards of the Papua New Guinean coast, has aroused nationalist rhetoric in Port Moresby and could damage the amicable relationship.

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CONCUR:

6 OCT 1977

Deputy Director for Intelligence Date

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20 SEP 1977

MEMORANDUM FOR: Deputy Director for Intelligence

FROM:

Director of Central Intelligence

Attached is an interesting letter I received from a professor at the University of Kansas who is a Micronesian-Melanesian expert. I'd be interested, on a no-rush basis, to know who is our Papua-New Guinea expert and to get a short memo on what the situation is out there. I do remember the Australian Foreign Minister being interested in what was going on there, too.

STANSFIELD TURNER

Attachment

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THE UNIVERSITY OF KANSAS

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DEPARTMENT OF ANTHROPOLOGY

September 20, 1977

Area Code 913, 864-4103

Dear Stan,

I just returned from a summer in Papua-New Guinea and Micronesia when I was very pleasantly brought back to some of the problems existing in our own society by seeing you on ABC's Good Morning America yesterday.

I wanted to let you know that I for one, share your belief that our people must be an informed one, and needless to say, unfortunately, not many apparently are that interested in what happens in Papua-New Guinea or for that, in American administered Palau or Yap.

Papua-New Guinea is a complex, emerging, and perhaps potentially most important Western Pacific state to which other Melanesian- and even Micronesian- populations may eventually look for leadership. The forces that negate a strong central government are as strong as those present, for example, in Palau District in Micronesia, but I found Michael Somare to be a very charismatic leader with great aspirations, - holding these heterogenous tribal groupings and islands together.

I found the Southwestern Pacific as lively as ever. Unfortunately some islands may eventually sink under the weight of beer cans, junked toyotas, and discarded refrigerators.

You have become a most eloquent and communicative Director for which you are to be higly commended. I believe you are succeeding in improving the public perception of the Agency. I would just add, that in the long run perhaps, any major change in public trust and confidence in the Agency's activities must still be developed in the lecture halls of American academe.

With warmest regards and continued best wishes to you and Pat.

Admiral Stansfield Turner Director of Central Intelligence Washington, D.C. 20505 Felix Moos Professor Next 12 Page(s) In Document Exempt